



**IN THE HIGH COURT OF PUNJAB & HARYANA  
AT CHANDIGARH**

251

CRM-M-18887-2016(O&M)

Date of decision: 10.02.2026

Jyoti Singhal and another

....Petitioners

Versus

State of Haryana and another

...Respondents

**CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY**

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Present : Mr. Karamveer Singh Banyana, Advocate for the petitioners.

Mr. Amrik Narwal, DAG, Haryana.

Mr. RS Mamli, Advocate for respondent No.2.

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**AMAN CHAUDHARY, J.**

1. The present petition filed under Section 482 Cr.P.C. is for quashing FIR No.215, dated 06.05.2016, registered under Sections 420 and 406 IPC, at Police Station Civil Lines, Gurgaon along with all consequential proceedings.

2. Learned counsel submits that the present case is a civil dispute, which has been given a criminal colour, inasmuch as the complaint is with regard to an agreement to sell was not being honoured, which cannot entail any criminal liability. Moreover, no civil suit has been filed by the complainant. The present proceedings are initiated merely to arm-twist the petitioners, thus deserve to be set aside.

3. Learned counsel for the State as also respondent No.2, on the other hand, contend that the petitioners had intentionally not adhered to the terms of the agreement to sell, thereby cheating the complainant.



4. Heard.

5. It would be apposite to refer to the above-mentioned FIR, contents whereof read thus:

“To, the Police Commissioner, Gurgaon. Subject: Complaint against Smt.Jyoti Singhal, husband Ajay Singhal son of Sh.Atma Ram, R/o C-318, Ground Floor, Vivek Vihar, Delhi. Sir, 1. It is submitted that I Dinesh Narwal son of Sh.Gulab Singh, permanent resident of Village Rithal Narwal, Tehsil and Distt. Rohtak and now I am residing at New Palam Vihar, Phase-II, First Floor, Royal Tower, Ayura Apartment, near Bajgeda Police Post, Gurgaon. I have entered into an agreement to sell dated 15.09.2014 in Rs.80,00,000/- with Sanjay Singhal and Jyoti Singhal with regard to Flat No.0204, Block-D, Premere Urban at the area oof Siwana, Sector 15, Part-II, Gurgaon which is of M / s Max Worth Infrastructure Private Limited, IInd Floor, M.G.F. Road, Gurgaon. 2. The applicant had received Rs.36,00,000/- as earnest money in cash and the remaining amount of the transaction has to be paid at the time of registry. 3. Sir, Smt.Jyoti Singhal and Sanjay Singhal is not coming for registry in the Office of Sub Registrar inspite of calling again and again. While the applicant has recorded his presence in the office on 13.08.2015 and 20.08.2015 for registration. But they have nto come. Like this they harassed me and committed forgery and now both the accused also threatening me to kill and nor they are giving my money to me. It is requested that the strict legal action may kindly be taken against Jyoti Singhal and Ajay Singhal. Thanking you. Dated 09.09.2015. Place Gurgaon, Applicant Dinesh Narwal son of Sh.Gulab Singh, resident of Village Rithal Narwal, Tehsil and Distt. Rohtak.”

6. In similar facts and circumstances, wherein also the agreement to sell was not executed and an FIR came to be lodged against the appellant, Hon’ble the Supreme Court quashed the criminal proceedings in **Sarabjit Kaur vs. State of Punjab**, (2023) 5 SCC 360, by observing thus:

“8. On the material placed on record by the parties, it is evident that an agreement to sell was executed by the appellant in favour of the wife of Respondent 2, namely, Sarabjit Kaur for sale of plot measuring 1 (kanal). The agreement to sell specifically mentions the fact that the appellant/the vendor gets entitled to the property on the basis of the agreement to sell



executed in her favour by Malkit Kaur on 27-5-2013. The last date fixed for registration of sale deed was 25-6-2014 which was extended to 24-12-2014. There is nothing placed on record by the complainant or the State to show that besides filing of the criminal complaint, Respondent 2 had initiated any civil proceedings for execution of sale deed on the basis of agreement to sell or in the alternative return of the earnest money.

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11. Still not satisfied as the result of the earlier complaint was not to the liking of Respondent 2. He filed another complaint on 23-1-2017. Thereafter, another complaint was filed by Respondent 2 on 15-6-2017 on the basis thereof FIR in question was registered. On the facts of the case in hand, it is evident that the effort of Respondent 2 was merely to put pressure on the appellant while involving her in a criminal case to get his money back whereas there is nothing pleaded that Respondent 2 that he was ever ready and willing to get the sale deed registered. There was no effort made by Respondent 2 or the vendee in the agreement to sell to initiate any civil proceedings to get the sale deed executed on the basis of the agreement to sell. In fact, the last date fixed for execution of the sale deed even after extension was 24-12-2014.

12. There is nothing on record to suggest that any notice was issued by Respondent 2 or the vendee to the appellant to get the sale deed registered just either before expiry of the last date fixed for execution of sale deed or immediately thereafter. No civil proceedings were also initiated rather Respondent 2 proceeded only by filing complaints with the police two of which were earlier filed. Had there been any civil proceedings initiated, the question of readiness and willingness of the vendee is also an aspect to be examined by the court.

13. A breach of contract does not give rise to criminal prosecution for cheating unless fraudulent or dishonest intention is shown right at the beginning of the transaction. Merely on the allegation of failure to keep up promise will not be enough to initiate criminal proceedings. From the facts available on record, it is evident that Respondent 2 had improved his case ever since the first complaint was filed in which there were no allegations against the appellant rather it was only against the property dealers which was in subsequent complaints that the name of the appellant was mentioned. On the first complaint, the only request was for return of the amount paid by Respondent 2. When the offence was made out on the basis of the first complaint, the second complaint was filed with improved version making allegations against the appellant as well which was not there in the earlier complaint. The entire idea seems to be to convert a civil dispute into



criminal and put pressure on the appellant for return of the amount allegedly paid. The criminal courts are not meant to be used for settling scores or pressurise parties to settle civil disputes. Wherever ingredients of criminal offences are made out, criminal courts have to take cognizance. The complaint in question on the basis of which FIR was registered was filed nearly three years after the last date fixed for registration of the sale deed. Allowing the proceedings to continue would be an abuse of process of the court.”

7. Hon’ble the Supreme Court in **A.M. Mohan vs. State**, (2024) 12 SCC 181, while also quashing the criminal proceedings initiated therein, disapproved the practice of using the same as a substitute for civil remedies. The paras relevant to the present case read thus:

“18. The law with regard to exercise of jurisdiction under Section 482CrPC to quash complaints and criminal proceedings has been succinctly summarised by this Court in *Indian Oil Corpn. v. NEPC India Ltd.* [*Indian Oil Corpn. v. NEPC India Ltd.*, (2006) 6 SCC 736 : (2006) 3 SCC (Cri) 188 : 2006 INSC 452] after considering the earlier precedents. It will be apposite to refer to the following observations of this Court in the said case, which read thus: (SCC pp. 747-49, paras 12-14)

“12. The principles relating to exercise of jurisdiction under Section 482 of the Code of Criminal Procedure to quash complaints and criminal proceedings have been stated and reiterated by this Court in several decisions. To mention a few—*Madhavrao Jiwajirao Scindia v. Sambhajirao Chandrojirao Angre* [*Madhavrao Jiwajirao Scindia v. Sambhajirao Chandrojirao Angre*, (1988) 1 SCC 692 : 1988 SCC (Cri) 234] , *State of Haryana v. Bhajan Lal* [*State of Haryana v. Bhajan Lal*, 1992 Supp (1) SCC 335 : 1992 SCC (Cri) 426] , *Rupan Deol Bajaj v. Kanwar Pal Singh Gill* [*Rupan Deol Bajaj v. Kanwar Pal Singh Gill*, (1995) 6 SCC 194 : 1995 SCC (Cri) 1059] , *CBI v. Duncans Agro Industries Ltd.* [*CBI v. Duncans Agro Industries Ltd.*, (1996) 5 SCC 591 : 1996 SCC (Cri) 1045] , *State of Bihar v. Rajendra Agrawalla* [*State of Bihar v. Rajendra Agrawalla*, (1996) 8 SCC 164 : 1996 SCC (Cri) 628] , *Rajesh Bajaj v. State (NCT of Delhi)* [*Rajesh Bajaj v. State (NCT of Delhi)*, (1999) 3 SCC 259 : 1999 SCC (Cri) 401] , *Medchl Chemicals & Pharma (P) Ltd. v.*



Biological E. Ltd. [Medchl Chemicals & Pharma (P) Ltd. v. Biological E. Ltd., (2000) 3 SCC 269 : 2000 SCC (Cri) 615] , Hridaya Ranjan Prasad Verma v. State of Bihar [Hridaya Ranjan Prasad Verma v. State of Bihar, (2000) 4 SCC 168 : 2000 SCC (Cri) 786] , M. Krishnan v. Vijay Singh [M. Krishnan v. Vijay Singh, (2001) 8 SCC 645 : 2002 SCC (Cri) 19] and Zandu Pharmaceutical Works Ltd. v. Mohd. Sharaful Haque [Zandu Pharmaceutical Works Ltd. v. Mohd. Sharaful Haque, (2005) 1 SCC 122 : 2005 SCC (Cri) 283] . The principles, relevant to our purpose are:

(i) A complaint can be quashed where the allegations made in the complaint, even if they are taken at their face value and accepted in their entirety, do not prima facie constitute any offence or make out the case alleged against the accused.

For this purpose, the complaint has to be examined as a whole, but without examining the merits of the allegations. Neither a detailed inquiry nor a meticulous analysis of the material nor an assessment of the reliability or genuineness of the allegations in the complaint, is warranted while examining prayer for quashing of a complaint.

(ii) A complaint may also be quashed where it is a clear abuse of the process of the court, as when the criminal proceeding is found to have been initiated with mala fides/malice for wreaking vengeance or to cause harm, or where the allegations are absurd and inherently improbable.

(iii) The power to quash shall not, however, be used to stifle or scuttle a legitimate prosecution. The power should be used sparingly and with abundant caution.

(iv) The complaint is not required to verbatim reproduce the legal ingredients of the offence alleged. If the necessary factual foundation is laid in the complaint, merely on the ground that a few ingredients have not been stated in detail, the proceedings should not be quashed. Quashing of the complaint is warranted only where the complaint is so bereft of even the basic facts which are absolutely necessary for making out the offence.



(v) A given set of facts may make out: (a) purely a civil wrong; or (b) purely a criminal offence; or (c) a civil wrong as also a criminal offence. A commercial transaction or a contractual dispute, apart from furnishing a cause of action for seeking remedy in civil law, may also involve a criminal offence. As the nature and scope of a civil proceeding are different from a criminal proceeding, the mere fact that the complaint relates to a commercial transaction or breach of contract, for which a civil remedy is available or has been availed, is not by itself a ground to quash the criminal proceedings. The test is whether the allegations in the complaint disclose a criminal offence or not.

13. While on this issue, it is necessary to take notice of a growing tendency in business circles to convert purely civil disputes into criminal cases. This is obviously on account of a prevalent impression that civil law remedies are time consuming and do not adequately protect the interests of lenders/creditors. Such a tendency is seen in several family disputes also, leading to irretrievable breakdown of marriages/families. There is also an impression that if a person could somehow be entangled in a criminal prosecution, there is a likelihood of imminent settlement. Any effort to settle civil disputes and claims, which do not involve any criminal offence, by applying pressure through criminal prosecution should be deprecated and discouraged. In G. Sagar Suri v. State of U.P. [G. Sagar Suri v. State of U.P., (2000) 2 SCC 636 : 2000 SCC (Cri) 513 : (2000) 100 Comp Cas 613 : 2000 INSC 34] this Court observed: (SCC p. 643, para 8)

'8. ... It is to be seen if a matter, which is essentially of a civil nature, has been given a cloak of criminal offence. Criminal proceedings are not a short cut of other remedies available in law. Before issuing process a criminal court has to exercise a great deal of caution. For the accused it is a serious matter. This Court has laid certain principles on the basis of which the High Court is to exercise its jurisdiction under Section 482 of the Code. Jurisdiction under this section has to be exercised to prevent abuse of the process of



any court or otherwise to secure the ends of justice.'

14. While no one with a legitimate cause or grievance should be prevented from seeking remedies available in criminal law, a complainant who initiates or persists with a prosecution, being fully aware that the criminal proceedings are unwarranted and his remedy lies only in civil law, should himself be made accountable, at the end of such misconceived criminal proceedings, in accordance with law. One positive step that can be taken by the courts, to curb unnecessary prosecutions and harassment of innocent parties, is to exercise their power under Section 250CrPC more frequently, where they discern malice or frivolousness or ulterior motives on the part of the complainant. Be that as it may."

19. The Court has also noted in Indian Oil Corpn. [Indian Oil Corpn. v. NEPC India Ltd., (2006) 6 SCC 736 : (2006) 3 SCC (Cri) 188 : 2006 INSC 452] , the concern with regard to a growing tendency in business circles to convert purely civil disputes into criminal cases. The Court observed that this is obviously on account of a prevalent impression that civil law remedies are time-consuming and do not adequately protect the interests of lenders/creditors. The Court also recorded that there is an impression that if a person could somehow be entangled in a criminal prosecution, there is a likelihood of imminent settlement. The Court, relying on the law laid down by it in G. Sagar Suri v. State of U.P. [G. Sagar Suri v. State of U.P., (2000) 2 SCC 636 : 2000 SCC (Cri) 513 : (2000) 100 Comp Cas 613 : 2000 INSC 34] held that any effort to settle civil disputes and claims, which do not involve any criminal offence, by applying pressure through criminal prosecution should be deprecated and discouraged. The Court also observed that though no one with a legitimate cause or grievance should be prevented from seeking remedies available in criminal law, a complainant who initiates or persists with a prosecution, being fully aware that the criminal proceedings are unwarranted and his remedy lies only in civil law, should himself be made accountable, at the end of such misconceived criminal proceedings, in accordance with law."

8. A perusal of the FIR reveals that the dispute is purely civil in character. Nothing has been shown on record to demonstrate that the accused-petitioners had the requisite fraudulent or dishonest intention right at the beginning of the transaction, to constitute the offence of cheating. The civil



remedy, having not been resorted to by the complainant, makes it clear that the present proceedings, which are being used as an instrument of harassment and private vendetta, would amount to abuse of process.

9. As a corollary, the present petition is allowed. The impugned FIR No.215, dated 06.05.2016, registered under Sections 420 and 406 IPC, at Police Station Civil Lines, Gurgaon and all proceedings arising thereof, are hereby quashed.

(AMAN CHAUDHARY)  
JUDGE

10.02.2026  
M.Kamra

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|---------------------------|---|----------|
| Whether speaking/reasoned | : | Yes / No |
| Whether reportable        | : | Yes / No |